
State:	District of Columbia	Filing Company:	Travelers Casualty and Surety Company of America
TOI/Sub-TOI:	17.0 Other Liability-Occ/Claims Made/17.0000 Other Liability Sub-TOI Combinations		
Product Name:	CyberRisk Rate and Rule Filing 2020-01-0106		
Project Name/Number:	CyberRisk Rate and Rule Filing 2020-01-0106/2020-01-0106		

Filing at a Glance

Company:	Travelers Casualty and Surety Company of America
Product Name:	CyberRisk Rate and Rule Filing 2020-01-0106
State:	District of Columbia
TOI:	17.0 Other Liability-Occ/Claims Made
Sub-TOI:	17.0000 Other Liability Sub-TOI Combinations
Filing Type:	Rate/Rule
Date Submitted:	02/10/2020
SERFF Tr Num:	TRVD-132248439
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	2020-01-0106
Effective Date	06/01/2020
Requested (New):	
Effective Date	06/01/2020
Requested (Renewal):	
Author(s):	Sandy Olson, Socorro Armstrong, Timothy Bengston, Linda Sperry, Julie Stuart, Stacy Mandelker, Theresa Lavenburg
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

State: District of Columbia **Filing Company:** Travelers Casualty and Surety Company of America
TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0000 Other Liability Sub-TOI Combinations
Product Name: CyberRisk Rate and Rule Filing 2020-01-0106
Project Name/Number: CyberRisk Rate and Rule Filing 2020-01-0106/2020-01-0106

General Information

Project Name: CyberRisk Rate and Rule Filing 2020-01-0106 Status of Filing in Domicile:
Project Number: 2020-01-0106 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 02/10/2020
State Status Changed: Deemer Date:
Created By: Linda Sperry Submitted By: Socorro Armstrong
Corresponding Filing Tracking Number:

Filing Description:
2020-01-0106
CyberRisk Coverage
Rate and Rule Filing

Travelers Casualty and Surety Company of America, 31194-3548, 06-0907370

In compliance with the insurance laws and regulations of your jurisdiction, we respectfully submit this filing for your review. This filing consists of revised rates and rules for use with our CyberRisk Coverage that was last updated and approved by your department under Company # 2018-03-0042-F, SERFF # TRVD-131572689 .

As with most rating plans, the need to monitor and update the plan after implementation was expected. The rates in the submitted rate and rule plan were established to not be inadequate, excessive, or unfairly discriminatory.

This filing consists of CyberRisk Rate Plan 55884 and CyberRisk Rules 55912.

Please feel free to contact me if you have any questions or need any additional information.

Thank you for your consideration of this filing submission.

Company and Contact

Filing Contact Information

Linda Sperry, Sr. Regulatory Analyst LSPERRY1@travelers.com
One Tower Square 860-277-7096 [Phone]
Hartford, CT 06183

Filing Company Information

Travelers Casualty and Surety Company of America	CoCode: 31194	State of Domicile: Connecticut
One Tower Square	Group Code: 3548	Company Type:
Hartford, CT 06183	Group Name: The Travelers Companies	State ID Number:
(860) 277-5660 ext. [Phone]	FEIN Number: 06-0907370	

Filing Fees

Fee Required? No

State:	District of Columbia	Filing Company:	Travelers Casualty and Surety Company of America
TOI/Sub-TOI:	17.0 Other Liability-Occ/Claims Made/17.0000 Other Liability Sub-TOI Combinations		
Product Name:	CyberRisk Rate and Rule Filing 2020-01-0106		
Project Name/Number:	CyberRisk Rate and Rule Filing 2020-01-0106/2020-01-0106		
Retaliatory?	No		
Fee Explanation:			

State:	District of Columbia	Filing Company:	Travelers Casualty and Surety Company of America
TOI/Sub-TOI:	17.0 Other Liability-Occ/Claims Made/17.0000 Other Liability Sub-TOI Combinations		
Product Name:	CyberRisk Rate and Rule Filing 2020-01-0106		
Project Name/Number:	CyberRisk Rate and Rule Filing 2020-01-0106/2020-01-0106		

Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	0.900%
Effective Date of Last Rate Revision:	04/01/2019
Filing Method of Last Filing:	File & Use
SERFF Tracking Number of Last Filing:	TRVD-131572689

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Travelers Casualty and Surety Company of America	29.900%	18.100%	\$297,608	348	\$1,639,760	24.200%	-15.100%

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Product Name:	CyberRisk Rate and Rule Filing 2020-01-0106		
Project Name/Number:	CyberRisk Rate and Rule Filing 2020-01-0106/2020-01-0106		

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		CyberRisk, Pure(a) Rates	55884 DC, Rate pages 1 - 29	Replacement	2018-03-0042-F, TRVD-131572689	55884 DC 202001.pdf
2		CyberRisk, Pure(a) Rules	55912 DC, Rule pages 1 - 5	Replacement	2018-03-0042-F, TRVD-131572689	55912 DC 202001.pdf

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

PUBLIC, PRIVATE and NON-PROFIT RATE SCHEDULE

The table below indicates a flat rate for the first \$50,000 in annual revenue* and a charge per thousand dollars of revenue for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Annual Revenue		Rate per \$1,000 of Annual Revenue
First	50,000	\$618 flat rate
Next	50,000	\$0.9000
Next	150,000	\$0.2400
Next	250,000	\$0.2100
Next	500,000	\$0.0960
Next	1,500,000	\$0.0312
Next	2,500,000	\$0.0143
Next	5,000,000	\$0.0728
Next	15,000,000	\$0.0533
Next	25,000,000	\$0.0270
Next	25,000,000	\$0.0216
Next	25,000,000	\$0.0190
Next	50,000,000	\$0.0134
Next	50,000,000	\$0.0131
Next	50,000,000	\$0.0102
Next	250,000,000	\$0.0080
Next	250,000,000	\$0.0058
Next	250,000,000	\$0.0050
Next	500,000,000	\$0.0017
Next	500,000,000	\$0.0016
Next	1,000,000,000	\$0.0014
Next	1,000,000,000	\$0.0013
Next	1,000,000,000	\$0.0012
Next	2,500,000,000	\$0.0007
Next	2,500,000,000	\$0.0006
Next	5,000,000,000	\$0.0005
Next	10,000,000,000	\$0.0004
Next	25,000,000,000	\$0.0001
Next	50,000,000,000	\$0.0001
Above	100,000,000,000	\$0.0001

* Indian Nation or public entity/governmental authority risks will use annual net operating expenditures in place of annual revenue

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

FINANCIAL INSTITUTIONS RATE SCHEDULE

The table below indicates a flat rate for the first \$5,000,000 in total assets and a charge per thousand dollars of total assets for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Total Assets		Rate per \$1,000 of Total Assets
First	5,000,000	\$1,170 flat rate
Next	5,000,000	\$0.0484
Next	5,000,000	\$0.0310
Next	10,000,000	\$0.0217
Next	25,000,000	\$0.0119
Next	25,000,000	\$0.0070
Next	25,000,000	\$0.0056
Next	50,000,000	\$0.0040
Next	50,000,000	\$0.0031
Next	100,000,000	\$0.0027
Next	100,000,000	\$0.0025
Next	100,000,000	\$0.0022
Next	250,000,000	\$0.0021
Next	250,000,000	\$0.0019
Next	500,000,000	\$0.0018
Next	500,000,000	\$0.0017
Next	1,000,000,000	\$0.0016
Next	1,000,000,000	\$0.0015
Next	1,000,000,000	\$0.0014
Next	2,500,000,000	\$0.0010
Next	2,500,000,000	\$0.0010
Next	5,000,000,000	\$0.0010
Next	5,000,000,000	\$0.0007
Next	5,000,000,000	\$0.0006
Next	5,000,000,000	\$0.0004
Next	10,000,000,000	\$0.0003
Next	10,000,000,000	\$0.0003
Next	25,000,000,000	\$0.0003
Next	25,000,000,000	\$0.0003
Next	50,000,000,000	\$0.0003
Next	50,000,000,000	\$0.0002
Next	100,000,000,000	\$0.0002
Next	100,000,000,000	\$0.0002
Next	100,000,000,000	\$0.0002
Above	500,000,000,000	\$0.0002

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

FINANCIAL INSTITUTIONS - ASSET MANAGERS RATE SCHEDULE

The table below indicates a flat rate for the first \$250,000,000 in total assets under management and a charge per million dollars of total assets under management for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Total Assets Under Management		Rate per \$1,000,000 of Total Assets Under Management
First	250,000,000	\$750 flat rate
Next	250,000,000	\$1.3907
Next	250,000,000	\$0.7649
Next	500,000,000	\$0.5609
Next	1,250,000,000	\$0.5609
Next	1,250,000,000	\$0.5609
Next	1,250,000,000	\$0.5609
Next	2,500,000,000	\$0.5048
Next	2,500,000,000	\$0.4543
Next	2,500,000,000	\$0.4089
Next	2,500,000,000	\$0.3680
Next	5,000,000,000	\$0.3312
Next	5,000,000,000	\$0.2981
Next	12,500,000,000	\$0.2087
Next	12,500,000,000	\$0.1920
Next	25,000,000,000	\$0.1771
Next	25,000,000,000	\$0.1623
Next	50,000,000,000	\$0.1428
Next	50,000,000,000	\$0.1261
Next	50,000,000,000	\$0.1104
Next	125,000,000,000	\$0.0974
Next	125,000,000,000	\$0.0853
Next	250,000,000,000	\$0.0751
Next	250,000,000,000	\$0.0668
Next	250,000,000,000	\$0.0584
Next	250,000,000,000	\$0.0510
Next	500,000,000,000	\$0.0454
Next	500,000,000,000	\$0.0399
Next	1,250,000,000,000	\$0.0352
Next	1,250,000,000,000	\$0.0306
Next	2,500,000,000,000	\$0.0269
Next	2,500,000,000,000	\$0.0241
Above	10,000,000,000,000	\$0.0213

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

HEALTH INSURANCE COMPANIES AND DATA AGGREGATORS RATE SCHEDULE

The table below indicates a flat rate for the first \$5,000,000 in annual revenue and a charge per thousand dollars of revenue for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Annual Revenue		Rate per \$1,000 of Revenue
First	5,000,000	\$3,000 flat rate
Next	5,000,000	\$0.0607
Next	15,000,000	\$0.0444
Next	25,000,000	\$0.0225
Next	25,000,000	\$0.0180
Next	25,000,000	\$0.0158
Next	50,000,000	\$0.0112
Next	50,000,000	\$0.0109
Next	50,000,000	\$0.0085
Next	250,000,000	\$0.0085
Next	250,000,000	\$0.0085
Next	250,000,000	\$0.0085
Next	500,000,000	\$0.0064
Next	500,000,000	\$0.0059
Next	1,000,000,000	\$0.0041
Next	1,000,000,000	\$0.0036
Next	1,000,000,000	\$0.0032
Next	2,500,000,000	\$0.0019
Next	2,500,000,000	\$0.0016
Next	5,000,000,000	\$0.0014
Next	10,000,000,000	\$0.0011
Next	25,000,000,000	\$0.0003
Next	50,000,000,000	\$0.0003
Above	100,000,000,000	\$0.0002

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

INSURING AGREEMENT MODIFIER - NON-BUSINESS INTERRUPTION

Apply the appropriate factor below for the insuring agreement that is being priced.

Insuring Agreement	Modification Range
Privacy and Security	0.60 - 1.00
Payment Card Costs	0.01 - 0.10
Media	0.15 - 0.55
Regulatory Proceedings	0.05 - 0.25
Privacy Breach Notification	0.05 - 0.45
Computer and Legal Experts	0.20 - 0.60
Betterment	0.30 - 0.70
Cyber Extortion	0.10 - 0.30
Data Restoration	0.01 - 0.05
Public Relations	0.01 - 0.05
Computer Fraud	0.05 - 0.15
Funds Transfer Fraud	0.05 - 0.15
Social Engineering Fraud	0.20 - 0.50
Telecom Fraud	0.01 - 0.10
Reputation Harm	0.05 - 0.25

Travelers Casualty and Surety Company of America

Pure(a) Rates**District of Columbia**

Filing Number: 2020-01-0106

"Informational Filing"**INSURING AGREEMENT MODIFIER - BUSINESS INTERRUPTION**

Apply the appropriate factor below for the insuring agreement that is being priced.

Insuring Agreement	Modification Range
Business Interruption	0.10 - 0.30
Dependent Business Interruption	0.05 - 0.25
System Failure	0.10 - 0.30
Accounting Costs	0.01 - 0.05

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

INCREASED LIMIT FACTORS - NON-BUSINESS INTERRUPTION

Determine the increased limit and retention premium by applying the calculated factor below to the basic premium.

Calculation:

Total limit = limit + retention

Final Factor = factor (total limit) - factor (retention)

Total Limit or Retention Amount	Factor
0	-0.300
5,000	-0.200
10,000	-0.120
15,000	-0.080
20,000	-0.040
25,000	0.000
30,000	0.025
35,000	0.050
50,000	0.110
75,000	0.155
100,000	0.200
125,000	0.240
150,000	0.275
200,000	0.340
250,000	0.400
500,000	0.630
750,000	0.825
1,000,000	1.000
2,000,000	1.550
3,000,000	1.950
4,000,000	2.300
5,000,000	2.540

Total Limit or Retention Amount	Factor
6,000,000	2.770
7,000,000	3.000
8,000,000	3.220
9,000,000	3.425
10,000,000	3.615
11,000,000	3.790
12,000,000	3.950
13,000,000	4.100
14,000,000	4.240
15,000,000	4.370
16,000,000	4.490
17,000,000	4.600
18,000,000	4.708
19,000,000	4.813
20,000,000	4.917
21,000,000	5.018
22,000,000	5.118
23,000,000	5.215
24,000,000	5.311
25,000,000	5.404
26,000,000	5.496
27,000,000	5.586

Total Limit or Retention Amount	Factor
28,000,000	5.674
29,000,000	5.760
30,000,000	5.845
31,000,000	5.928
32,000,000	6.009
33,000,000	6.089
34,000,000	6.167
35,000,000	6.243
36,000,000	6.318
37,000,000	6.392
38,000,000	6.464
39,000,000	6.534
40,000,000	6.603
41,000,000	6.671
42,000,000	6.737
43,000,000	6.802
44,000,000	6.866
45,000,000	6.929
46,000,000	6.990
47,000,000	7.050
48,000,000	7.109
49,000,000	7.166
50,000,000	7.223

To determine factors for total limit or retention amounts greater than \$50,000,000 use the following formula:

$$1.389 * ((\text{total limit or retention})/1,000,000) ^ (0.4222)$$

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

INCREASED LIMIT FACTORS - BUSINESS INTERRUPTION

Determine the increased limit premium by applying the appropriate factor below to the basic premium.

Limit	Factor
0	0.000
5,000	0.100
10,000	0.180
15,000	0.220
20,000	0.260
25,000	0.300
30,000	0.325
35,000	0.350
50,000	0.410
75,000	0.455
100,000	0.500
125,000	0.540
150,000	0.575
200,000	0.640
250,000	0.700
500,000	0.930
750,000	1.125
1,000,000	1.300
2,000,000	1.850
3,000,000	2.250
4,000,000	2.600
5,000,000	2.840

Limit	Factor
6,000,000	3.070
7,000,000	3.300
8,000,000	3.520
9,000,000	3.725
10,000,000	3.915
11,000,000	4.090
12,000,000	4.250
13,000,000	4.400
14,000,000	4.540
15,000,000	4.670
16,000,000	4.790
17,000,000	4.900
18,000,000	5.008
19,000,000	5.113
20,000,000	5.217
21,000,000	5.318
22,000,000	5.418
23,000,000	5.515
24,000,000	5.611
25,000,000	5.704
26,000,000	5.796
27,000,000	5.886

Limit	Factor
28,000,000	5.974
29,000,000	6.060
30,000,000	6.145
31,000,000	6.228
32,000,000	6.309
33,000,000	6.389
34,000,000	6.467
35,000,000	6.543
36,000,000	6.618
37,000,000	6.692
38,000,000	6.764
39,000,000	6.834
40,000,000	6.903
41,000,000	6.971
42,000,000	7.037
43,000,000	7.102
44,000,000	7.166
45,000,000	7.229
46,000,000	7.290
47,000,000	7.350
48,000,000	7.409
49,000,000	7.466
50,000,000	7.523

To determine factors for limits greater than \$50,000,000 use the following formula:

$$1.389 * ((\text{limit})/1,000,000) ^ (0.4222) - (-0.300)$$

Travelers Casualty and Surety Company of America

Pure(a) Rates**District of Columbia**

Filing Number: 2020-01-0106

"Informational Filing"**RETENTION FACTORS - BUSINESS INTERRUPTION**

Multiply premium by the applicable retention factor from the following table.

Wait Period Hours	Factor
0	1.80
6	1.05
8	1.00
12	0.90
24	0.85
48	0.80
72	0.75
168+	0.70

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

AGGREGATE LIMIT FACTOR

Apply appropriate aggregate limit factor based on ratio of CyberRisk aggregate limit to the Privacy and Security Limit.

Ratio of CyberRisk Aggregate Limit to Privacy and Security Limit	Privacy and Security Limit		
	\$1M or Less	Greater than \$1M but less than or Equal to \$5M	Over \$5M
1	1.00	1.00	1.00
1.5	1.11	1.08	1.07
2	1.18	1.14	1.12
2.5	1.22	1.17	1.14
3	1.24	1.18	1.15
4	1.25	1.19	1.15
5	1.26	1.21	1.15
10	1.30	1.21	1.15
20	1.32	1.21	1.15
30	1.33	1.21	1.15
50 or more	1.34	1.21	1.15

This factor applies to all insuring agreements and endorsements subject to the aggregate limit.

Travelers Casualty and Surety Company of America

Pure(a) Rates**District of Columbia**

Filing Number: 2020-01-0106

"Informational Filing"**PERIOD OF RESTORATION FACTOR - BUSINESS INTERRUPTION**

Multiply premium by the applicable factor from the following table.

Period of Restoration Days	Factor
0-30	0.95
60	0.97
90	0.98
120	0.99
180	1.00
240	1.01
300	1.02
365 or more	1.03

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"**PERIOD OF INDEMNITY FACTOR - REPUTATION HARM INSURING AGREEMENT**

Multiply premium by the applicable factor from the following table.

Period of Indemnity Days	Factor
0-15	0.98
30	1.00
45	1.02
60	1.04
90	1.06
180	1.08
270	1.09
365 or more	1.10

Travelers Casualty and Surety Company of America

Pure(a) Rates

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

CLAIMS-MADE MODIFIER

Modify the base rate for the selected amount of Prior Acts coverage.

Years-in Claims-Made	Modification Factor
0	0.85
1	0.90
2	0.95
greater or equal to 3 (includes policies with no retro date)	1.00

Years-in Claims-Made: year of policy inception date - year of retro date

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

PUBLIC, PRIVATE and NON-PROFIT CLASS OF BUSINESS FACTORS

Apply the following factors to the annual premium.

Class of Business	Non-Business Interruption Modification Range	Business Interruption Modification Range
Agriculture, Livestock, and Forestry	0.60 - 1.00	0.80 - 1.20
Auto and Recreational Vehicle Dealers	0.40 - 0.80	0.40 - 0.80
BioTechnology / Life Sciences	1.00 - 1.40	0.80 - 1.20
Business and Consulting Services	0.70 - 1.10	0.80 - 1.20
Construction	0.50 - 0.90	0.80 - 1.20
Data Aggregators	0.80 - 1.20	0.80 - 1.20
Educational Institutions	1.00 - 1.40	0.60 - 1.00
Energy & Mining	0.70 - 1.10	1.00 - 1.40
Entertainment, Leisure, and Sports	0.65 - 1.05	0.80 - 1.20
Gaming / Gambling	1.00 - 1.40	1.20 - 1.60
Governmental Related	1.00 - 1.40	0.80 - 1.20
Healthcare	1.10 - 1.50	1.10 - 1.50
Homeowner / Condo Association	0.60 - 1.00	0.60 - 1.00
Hotel, Hospitality, and Restaurants	1.00 - 1.40	1.00 - 1.40
Insurance Agents	0.80 - 1.20	0.80 - 1.20
Lawyers, Accountants, Architects, and Engineers	0.80 - 1.20	0.80 - 1.20
Manufacturing	0.50 - 0.90	1.00 - 1.40
Media, Printing & Publishing	0.70 - 1.10	1.00 - 1.40
Non-Profits, Foundations, and Membership Organizations	0.70 - 1.10	0.50 - 0.90
Other or Diversified Non - Financial Institutions	0.80 - 1.20	0.80 - 1.20
Retail	1.00 - 1.40	1.00 - 1.40
Technology	1.00 - 1.40	1.00 - 1.40
Telecommunications	1.00 - 1.40	1.00 - 1.40
Transportation	0.70 - 1.10	1.00 - 1.40
Utilities	1.00 - 1.40	1.20 - 1.60
Wholesalers and Distributors	0.55 - 0.95	1.00 - 1.40

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

FINANCIAL INSTITUTIONS CLASS OF BUSINESS FACTORS

Apply the following factors to the annual premium.

Class of Business	Non-Business Interruption Modification Range	Business Interruption Modification Range
Bank	0.65 - 1.05	0.65 - 1.05
Broker / Dealer	1.00 - 1.40	0.90 - 1.30
Commodities Broker	0.90 - 1.30	0.90 - 1.30
Community Development Corporation	0.70 - 1.10	0.70 - 1.10
Credit Union	0.70 - 1.10	0.70 - 1.10
Data Aggregators	0.80 - 1.20	0.80 - 1.20
Federal Credit Agencies	0.70 - 1.10	0.70 - 1.10
Financial Association	0.70 - 1.10	0.70 - 1.10
Health Insurance Company	1.10 - 1.50	0.70 - 1.10
Hedge Fund	0.65 - 1.05	0.65 - 1.05
Housing or Finance Authority	0.70 - 1.10	0.70 - 1.10
Investment Adviser	0.80 - 1.20	0.80 - 1.20
Life Insurance Company	0.95 - 1.35	0.95 - 1.35
Mortgage Banker	0.90 - 1.30	0.90 - 1.30
Mutual Fund	0.80 - 1.20	0.90 - 1.30
Other Diversified Financial Institution	0.80 - 1.20	0.80 - 1.20
Other Financial Institution	0.80 - 1.20	0.80 - 1.20
P&C Insurance Company	0.85 - 1.25	0.85 - 1.25
Personal Credit Institution including Student Lender	1.00 - 1.40	0.80 - 1.20
Private Equity	0.80 - 1.20	0.80 - 1.20
Real Estate Fund	0.90 - 1.30	0.80 - 1.20
Securities / Commodities Exchanges	1.00 - 1.40	1.00 - 1.40



Travelers Casualty and Surety Company of America

Pure(a) Rates

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

CYBER HYGIENE MODIFICATION FACTOR

Description	Modification Range
Multiple Concerns	1.05 - 1.55
Isolated Concerns	1.00 - 1.30
Average	0.85 - 1.15
Above Average	0.70 - 1.00
Not Available or Applicable	1.00

Travelers Casualty and Surety Company of America

Pure(a) Rates**District of Columbia**

Filing Number: 2020-01-0106

"Informational Filing"**EXPERIENCE MODIFICATION FACTOR**

Based on cyber claim experience in the past 3 years, select the applicable factor.

Cyber Claim Experience	Modification Range
None / Minimal	0.90 - 1.10
Material	1.00 - 1.30
Major	1.00 - 1.60

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"**EXPENSE MODIFICATION PLAN**

Apply expense modifier for the account related expense of underwriting and account handling or to reflect higher or lower commissions.

Eligibility:

A risk is eligible for the application of the Expense Modification Plan to the extent that such expense characteristics are not already reflected in the base rates and that any credit or debit developed under this section does not duplicate modification which has been contemplated in any other rating plan or schedule rating modification applied to the same risk.

Rules:

1. Document the individual underwriting file to support the application of the expense modifier.
2. Maximum modification in rates under this plan shall not exceed +/- 15%.
3. The Expense Modification Plan is in addition to any Schedule Rating modifications applicable to the risk provided there is no duplication of credits.

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

SCHEDULE RATING PLAN

An individual account's exposures may deviate from the actuarially determined average risk. Such deviations will be recognized by modifying the final developed premium as follows:

Characteristics	Modification Range	
	Credit	Debit
Business Continuity / Disaster Recovery	25%	25%
Complexity of Business	25%	25%
Content Liability Controls	25%	25%
Financial Performance	25%	25%
Incident Response Plan	25%	25%
Network Security Controls	25%	25%
Operational Risk Relative to Industry	25%	25%
Privacy Controls	25%	25%
Quality of Management	25%	25%
Unusual or Unique Exposure	25%	25%

The maximum credit / debit is +/- 25%.

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"**COINSURANCE**

The Coinsurance Percent shall be equivalent to the percentage of loss which the insured is self-insuring.

$$\text{Coinsurance Modification Factor} = 1 - (0.90) * (\text{Coinsurance Percent})$$

BETTERMENT COPARTICIPATION

If a Betterment Coparticipation Percent is shown in the CyberRisk Declarations, such percentage of Betterment Costs will be paid by the insured. If a Betterment Coparticipation Percent is shown, the Betterment Coparticipation Modification Factor will be applied to the Betterment insuring agreement premium.

$$\text{Betterment Coparticipation Modification Factor} = 1 - (0.90) * (\text{Betterment Coparticipation Percent})$$

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

PER IMPACTED PARTIES AND COMPUTER AND LEGAL EXPERT COSTS ENDORSEMENT

PRIVACY BREACH NOTIFICATION - PER IMPACTED PARTIES BASIS

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the appropriate Privacy Breach Notification - Per Impacted Parties Basis percent below.

Maximum Number of Impacted Parties	Modifier
Up to 250,000	20.0% - 40.0%
500,000	40.0% - 60.0%
1,000,000	60.0% - 80.0%
2,000,000	80.0% - 100.0%
Over 2M	100.0% - 150.0%

COMPUTER AND LEGAL EXPERTS COSTS

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Computer and Legal Experts Costs Limit and Retention, using the Increased Limit Factors - Non-Business Interruption table in this rate manual, and
- (2) The Computer and Legal Experts Costs percent below.

Modifier
25% - 65%

The Aggregate Limit Factor does not apply to this endorsement.

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"**EMPLOYED LAWYERS ENDORSEMENT**

For this coverage, charge the additional base premium below for the covered lawyers.

Number of Attorneys	Rate Per Attorney
1-3	\$1,440.00
4-5	\$480.00
6-10	\$330.00
11-15	\$240.00
16-20	\$195.00
21-30	\$160.00
30+	\$120.00

Multiply this base premium by the following:

- (1) An Increased Limit Factor based on the Employed Lawyers Limit and Retention, using the Increased Limit Factor - Non-Business Interruption table in this rate manual, and
- (2) The Claims-Made Modifier in this manual, and
- (3) If applicable, the Coinsurance Modification Factor in this rate manual, and
- (4) The Aggregate Limit Factor in this rate manual.

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

EMPLOYED LAWYERS WITH MOONLIGHTING ENDORSEMENT

For this coverage, charge the additional base premium below for the covered lawyers.

Number of Attorneys	Rate Per Attorney
1-3	\$2,160.00
4-5	\$720.00
6-10	\$495.00
11-15	\$360.00
16-20	\$292.50
21-30	\$240.00
30+	\$180.00

Multiply this base premium by the following:

- (1) An Increased Limit Factor based on the Employed Lawyers with Moonlighting Limit and Retention, using the Increased Limit Factor - Non-Business Interruption table in this rate manual, and
- (2) The Claims-Made Modifier in this manual, and
- (3) If applicable, the Coinsurance Modification Factor in this rate manual, and
- (4) The Aggregate Limit Factor in this rate manual.

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"**CONVICTION REWARD ENDORSEMENT**

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Conviction Reward Limit and Retention, using the Increased Limit Factors - Non-Business Interruption table in this rate manual, and
- (2) The Conviction Reward percent below.

Modifier
0% - 5%

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

EMERGENCY COSTS ENDORSEMENT

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) For the purpose of rating, the Emergency Costs Retention will be the maximum of the Computer and Legal Experts Retention, Cyber Extortion Retention, and the Privacy Breach Notification Retention. An Increased Limit Factor based on the Emergency Costs Limit and Retention, using the Increased Limit Factors - Non-Business Interruption table in this rate manual, and
- (2) The Emergency Costs percent below.

Modifier
0% - 5%

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

CONVERT BUSINESS INTERRUPTION WAIT PERIOD TO THRESHOLD ENDORSEMENT

Multiply the business interruption premium by the applicable Conversion Factor from the following table based on the selected retention when the Convert Business Interruption Wait Period to Threshold endorsement is attached to the policy. If the Convert Business Interruption Wait Period to Threshold endorsement is not attached the factor is 1.00.

Business Interruption Retention	Factor
0	1.20
5,000	1.18
10,000	1.16
15,000	1.14
20,000	1.12
25,000	1.10
30,000	1.08
35,000	1.06
50,000 or more	1.00

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

DEPENDENT BUSINESS INTERRUPTION - SYSTEM FAILURE ENDORSEMENT

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Dependent Business Interruption - System Failure Limit, using the Increased Limit Factors - Business Interruption table in this rate manual, and
- (2) A Retention Factor based on the Wait Period Hours using the Retention Factors - Business Interruption table in this rate manual, and
- (3) A Restoration Factor based on the Period of Restoration Days using the Period of Restoration Factor - Business Interruption table in this rate manual, and
- (4) If applicable, a Conversion Factor based on the Convert Business Interruption Wait Period to Threshold Endorsement, and
- (5) The Dependent Business Interruption - System Failure percent below.

Modifier
5% - 25%

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

DEPENDENT BUSINESS INTERRUPTION - OUTSOURCE PROVIDER ENDORSEMENT

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Dependent Business Interruption - Outsource Provider Limit, using the Increased Limit Factors - Business Interruption table in this rate manual, and
- (2) A Retention Factor based on the Wait Period Hours using the Retention Factors - Business Interruption table in this rate manual, and
- (3) A Restoration Factor based on the Period of Restoration Days using the Period of Restoration Factor - Business Interruption table in this rate manual, and
- (4) If applicable, a Conversion Factor based on the Convert Business Interruption Wait Period to Threshold Endorsement, and
- (5) The Dependent Business Interruption - Outsource Provider percent below.

Modifier
1% - 15%

Pure(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"

**DEPENDENT BUSINESS INTERRUPTION - OUTSOURCE PROVIDER - SYSTEM FAILURE
ENDORSEMENT**

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Dependent Business Interruption - Outsource Provider - System Failure Limit using the Increased Limit Factors - Business Interruption table in this rate manual, and
- (2) A Retention Factor based on the Wait Period Hours using the Retention Factors - Business Interruption table in this rate manual, and
- (3) A Restoration Factor based on the Period of Restoration Days using the Period of Restoration Factor - Business Interruption table in this rate manual, and
- (4) If applicable, a Conversion Factor based on the Convert Business Interruption Wait Period to Threshold Endorsement, and
- (5) The Dependent Business Interruption - Outsource Provider - System Failure percent below.

Modifier
1% - 15%



Pure(a) Rules

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2018-03-0042

"Informational Filing"

INTRODUCTION

These rules are for use with the CyberRisk Liability coverage(s) whether written on a standalone basis or as part of a package.



Travelers Casualty and Surety Company of America

Pure(a) Rules

District of Columbia

Filing Number: 2018-03-0042

"Informational Filing"

ELIGIBILITY

Companies meeting underwriting guidelines.

Pure(a) Rules

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2020-01-0106

"Informational Filing"**PREMIUM CALCULATION**

All rates in this manual are annual, unless otherwise noted. All modification factors are multiplicative, unless otherwise noted.

The premium for insureds meeting one or more of the following criteria may be developed on an individual risk basis as mutually agreed upon between the insured and the company.

- Revenues or Assets Greater than \$50,000,000
- Limits Greater than or equal to \$2,000,000
- Annual Premiums Greater than or equal to \$100,000



Travelers Casualty and Surety Company of America

Pure(a) Rules

District of Columbia

Filing Number: 2018-03-0042

"Informational Filing"

INTERPOLATION

For factors not shown in the rate pages, use interpolation to determine proper charge.

Pure(a) Rules

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2020-01-0106****"Informational Filing"****STABILIZATION RULE**

Eligible renewing policies will have annual premium change subject to a minimum change of -5% to a maximum of 30% higher after accounting for exposure changes, such as:

1. Changes in risk exposures, operations, classifications, coverage limits, or additional insureds.
2. Additions or deletions of optional coverages.
3. Subsequent filings made which supersede application of this rule.

State:	District of Columbia	Filing Company:	Travelers Casualty and Surety Company of America
TOI/Sub-TOI:	17.0 Other Liability-Occ/Claims Made/17.0000 Other Liability Sub-TOI Combinations		
Product Name:	CyberRisk Rate and Rule Filing 2020-01-0106		
Project Name/Number:	CyberRisk Rate and Rule Filing 2020-01-0106/2020-01-0106		

Supporting Document Schedules

Bypassed - Item:	Consulting Authorization
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Certification (P&C)
Comments:	
Attachment(s):	2020-01-0106 - Actuarial Memo - DC New.pdf
Item Status:	
Status Date:	

Satisfied - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Comments:	
Attachment(s):	Indications (District of Columbia).pdf
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

Travelers Bond and Specialty Insurance
CyberRisk Coverage Rewrite
2020-01-0106

Actuarial Memorandum

Overview

This filing puts manual rates on file for the CyberRisk coverage written by the Travelers Casualty and Surety Company of America. Please note the premium for CyberRisk coverage is currently being determined on an (A) rated basis. The rates in the submitted rate plan were established so as to not be inadequate, excessive, or unfairly discriminatory. The proposed modifications result in a 18.1% premium increase effective 06/01/2020 from the existing rates charged. Note that the change presented includes the impacts of the stabilization program described below.

Rating Plan Description

The CyberRisk rating plan takes into account the characteristics of an individual risk and generates an appropriate premium based on the exposure to loss. Note that pricing for CyberRisk is extremely difficult given several factors:

- Newness of the program
- Significant changes to forms and coverage over time
- Catastrophe models only in their infancy stages
- Significant evolution of external threats

Base Rates: The Cyber Risk Rate Plan has four separate base rate tables:

- Public, Private, and Non-Profit Classes (Revenues)
- Financial Institutions (Assets)
- Asset Managers (Assets Under Management)
- Health Insurance Companies and Data Aggregators (Revenues)

As expected, the marginal rates decrease as the size of the insured increases.

Coverage Pricing Development: A number of agreements and endorsements are part of the CyberRisk rate plan, many of which are new countrywide in the last year or two. Because of the newness of these coverages, actuarial relies on discussions with the claims department and underwriting experts, competitor filings, and industry studies to develop an estimate of expected frequency and severity.

Increased Limit Factors: The base rates are at a specified limit and retention. The increased limit factors adjust the price for the chosen limit and retention. These factors are consistent with a blend between our first and third party management liability coverages, as Cyber is a mix of both types of coverages.

Aggregate Limit Factor: A charge also exists when the aggregate limit is a multiple of the Privacy and Security insuring agreement limit. The charge is dependent on the ratio of the aggregate limit to the Privacy and Security limit, and is also based on the underlying agreement limit.

Claims Made Modifier: Similar to other management liability coverages, the claims made modifier modifies the base rate for the number of years in claims-made.

Class of Business Factors: The rate plan applies modifiers based on the class of business of the insured. This applies for both non-Business Interruption and Business Interruption coverages. A separate modifier applies by type because a certain class may have a higher or lower exposure to Business Interruption loss once a breach has occurred than indicated by their overall class of business factor.

Risk Modification Factors: The rate plan has a Cyber Hygiene modifier. This modifier encapsulates a number of cyber risk considerations such as overall cyber security, patching cadence, and botnet infection protocols and procedures.

Experience Modifier: The rate plan has an experience modifier to adjust for prior claims experience.

Schedule Rating Plan: An individual account's exposures may deviate from the actuarially determined average risk. Such deviations will be recognized by modifying the final developed premium by the scheduled rating plan.

Rate Indication & Loss Ratio Development

Despite moving from an "a" rate memorandum to a manual rate plan, we still can calculate a rate indication based on currently charged rates.

The rate indication is derived using a loss ratio method in which we compare the projected loss ratio to the permissible loss ratio. The development of the rate indication is detailed in the attached exhibits and described below. The overall indication is developed in Exhibits 1s (state) and 1c (countrywide). As described earlier, there is a lack of actuarially credible data for the CyberRisk program given the newness of the program. Additionally, significant changes to forms and coverage make what limited data that is available less relevant. Therefore, there is some judgment that goes in selecting point estimates, when a wide range of reasonable assumptions may be appropriate.

- Loss Trend – Total loss trend was determined by examining all available years of countrywide Cyber frequency and severity trends. Using all available years of countrywide data is appropriate because it produces more stable and reliable trend factors than would fewer years or state specific data. We selected an overall historical frequency trend of 45%, based on the historical data. Note that while indications are very volatile, this is consistent with all recent year averages as well as industry reports of increased cyber attacks. We selected a severity trend of 2%, which is reasonable given the historical data. This severity trend is in line with other management liability lines. Support for these selections can be found in Exhibit 4.
- Loss Development Factors - Loss Development factors were determined by examining 10 years of countrywide Cyber development patterns. Similar to loss trend, all available years of countrywide data is appropriate because it produces more stable and reliable development factors than would fewer years of data or state specific data. We selected development factors using a 4-year weighted average through 60 months of development to produce stability. Support for these selections can be found in Exhibit 5.

- Ultimate Losses – Incurred losses were developed using the selected loss development factors. Ultimate losses selections were made using the incurred link ratio development method. However, other indications such as the Bornhuetter Ferguson method also produce similar results given that Cyber has been a fast developing line of business.
- CAT Load – The development of pricing for CyberRisk can be thought of as analogous to Property ratemaking. Similar to Property which presents an exposure to infrequent but severe natural catastrophes, there is a significant systemic and aggregation risk when underwriting CyberRisk. There are a number of different scenarios such as Data Exfiltration, Denial of Service Attack, Cloud Service Provider Failure, Cyber Heist, and Ransomware that can affect a large number of our policyholders. While we have not seen a “catastrophic” event affecting a large number of our policyholders, this exposure is something we must constantly evaluate and price for.

Unfortunately, the state of CyberRisk Catastrophe modeling is still in its infancy. We are currently in the process of evaluating several Cyber Scenario tools which provides a range of possible severities based on each of these scenarios. While we may not have a perfect understanding of the underlying likelihood of each scenario, it is clear that certain events could lead to significant insurance loss. Therefore, while the CAT Load selection of 7% is a selection based on a number of different vendor models, it appears reasonable given the collection of possible Cyber events and the likelihood for severe potential loss. As the product and catastrophe modeling matures, we will continue to re-evaluate the load as a wide range of possible catastrophe loads are reasonable.

- Expenses – Countrywide expenses were reviewed for the past three years and the selected expense provision was set equal to the three year average with the exception of Taxes, Licenses, and Fees for which state specific data was used. This expense provision is developed in Exhibit 3s. The profit and contingencies load included in this exhibit is developed in Exhibit 2s. A countrywide expense provision and profit and contingency load are also included in Exhibits 3c and 2c.
- Permissible Loss Ratio – The Permissible Loss and Loss Expense Ratio is set equal to 100% minus the total expense ratio for the state including profit and contingencies.
- Credibility - A full credibility standard of 1,082 claims was selected. This was translated to a premium based full credibility standard of \$401M based upon all years of countrywide claim counts and Earned Premium for CyberRisk insurance. This credibility standard is developed in Exhibit 6.
- Final Indication and Selection – The methodology for determining the final rate indication was to compare a credibility weighted projected loss and loss expense ratio to the permissible loss ratio. The complement of credibility was assigned to the countrywide projected loss and loss expense ratio.

Stabilization Program

Given the change from an “a” rate memorandum to manual rates, without any mitigation efforts, we anticipate a significant amount of policyholder premium disruption. In order to provide our

policyholders with stability in premium year over year, eligible renewing policies will have an annual premium change subject to a minimum of -5% to a maximum of 30% higher after accounting for exposure changes.



District of Columbia Calculation of Rate Change

(Experience evaluated as of 12/31/2019)

Accident Year	Earned Premium*	Ultimate* L & ALAE**	Trend* Factor to 06/01/2021	Trended Ultimate L & ALAE	Trended Ultimate L & ALAE Ratio
2015	230,528	64,459	6.870	442,845	192.1%
2016	539,832	269,143	4.640	1,248,874	231.3%
2017	860,610	87,317	3.137	273,947	31.8%
2018	1,167,514	50,797	2.121	107,755	9.2%
2019	1,402,416	374,059	1.434	536,502	38.3%
Total	4,200,900	845,774		2,609,922	62.1%

All historical loss is considered to be ex-catastrophe.

(1)	State ex-CAT Loss and Allocated Loss Expense Ratio	62.1%
(2)	Estimated Catastrophe Load	7.0%
(2)	State Loss and Allocated Loss Expense Ratio loaded for Unallocated Loss Adjustment Expense	75.5%
	<i>Unallocated Loss Adjustment Expense (ULAE)</i>	9.2%
(3)	Cred-Wtd Countrywide Loss and Allocated Loss Expense Ratio loaded for Unallocated Loss Adjustment Expense <i>(*see Countrywide Indication Exhibit)</i>	86.5%
(4)	State Credibility Factor: (*see Credibility Exhibit) Square Root of (4,200,900 / 401,459,985), capped at 1.000	0.102
(5)	State Credibility Weighted Loss and Loss Expense Ratio $\{ (4) \times (2) \} + \{ (1.00 - (4)) \times (3) \}$	85.4%
(6)	State Permissible Loss and Loss Expense Ratio <i>(*see Expense Exhibit)</i>	65.7%
(7)	State Indicated Rate Level Change $\{ (5) / (6) \} - 1.00$	29.9%

*Exhibits Included

**Countrywide IBNR was allocated to state assuming the same distribution as a state's earned premium



Travelers Casualty and Surety Company of America

CyberRisk

Exhibit 1c

Countrywide Calculation of Rate Change

(Experience evaluated as of 12/31/2019)

Accident Year	Earned Premium*	Ultimate* L & ALAE	Trend* Factor to 06/01/2021	Trended Ultimate L & ALAE	Trended Ultimate L & ALAE Ratio
2015	33,328,964	3,056,367	6.870	20,997,870	63.0%
2016	55,240,256	14,034,414	4.640	65,122,363	117.9%
2017	77,028,104	8,973,024	3.137	28,151,823	36.5%
2018	101,684,043	30,265,019	2.121	64,200,805	63.1%
2019	127,499,987	74,142,323	1.434	106,340,217	83.4%
Total	394,781,353	130,471,147		284,813,079	72.1%

All historical loss is considered to be ex-catastrophe.

(1)	Countrywide ex-CAT Loss and Allocated Loss Expense Ratio	72.1%
(2)	Countrywide Estimated Catastrophe Load	7.0%
(2)	Credibility-Wghtd Countrywide Loss and ALAE Ratio loaded for Unallocated Loss Adjustment Expense: { (1) x (5) + (1-(5)) x (4a) } x (ULAE load)	86.5%
	<i>Unallocated Loss Adjustment Expense (ULAE)</i>	9.2%
(3)	Countrywide Permissible Loss and Loss Expense Ratio (*see Countrywide Expense Exhibit)	65.3%
(4)	Trended Permissible Loss and Loss Expense Ratio (4a) Without ULAE	96.5% 88.4%

District of Columbia Investment Income Exhibit

1) Expenses and Profit Provision:	Nominal Value (NV)	Discount Factor (DFe)	Present Value (PV)
a) Commissions and Brokerage	15.2%	1.037	15.8%
b) General Expenses	6.7%	1.037	7.0%
c) Other Acquisition Expenses	9.3%	1.037	9.6%
d) Taxes, Licenses and Fees	1.8%	1.037	1.9%
<u>e) Unallocated Loss Adjustment Expenses</u>	<u>4.3%</u>	<u>0.983</u>	<u>4.2%</u>
f) Total Expenses { (1a) + (1b) + (1c) + (1d) + (1e) }	37.3%	1.031	38.5%
g) Target Pre-Tax Return on Premium (ROP) - based on 15% Target ROE	7.0%	1.000	7.0%
2) Premium Discount Factor (DFp) { (1.0 + pre-tax ROI)^(1.0 - Prem. Receipt Lag) }			1.037
3) Loss Discount Factor (DFI) { (1.0 + pre-tax ROI)-(Avg. Loss Payment Lag - 1.0) }			0.948
4) Permissible Loss Ratio (PLR) { [(2) - PV(1f) - PV(1g)] / (3) }			61.4%
5) Expected Combined Ratio Under Indicated Rate Change { (4) + NV(1f) }			98.7%
6) Expected Pre-Tax ROP Under Indicated Rate Change { (2) - PV(1f) - (3) x (4) }			7.0%
7) Underwriting Profit Provision Under Indicated Rate Change { 1.0 - (5) }			1.3%
8) Investment Income Ratio Under Indicated Rate Change { (6) - (7) }			5.8%
9) Expected ROE Under Indicated Rate Change { (1.0 - FIT) x (6) x P/S + ROC }			15.0%

Countrywide Investment Income Exhibit

1) Expenses and Profit Provision:	Nominal Value (NV)	Discount Factor (DFe)	Present Value (PV)
a) Commissions and Brokerage	15.2%	1.037	15.8%
b) General Expenses	6.7%	1.037	7.0%
c) Other Acquisition Expenses	9.3%	1.037	9.6%
d) Taxes, Licenses and Fees	2.2%	1.037	2.3%
<u>e) Unallocated Loss Adjustment Expenses</u>	<u>4.3%</u>	<u>0.983</u>	<u>4.2%</u>
f) Total Expenses { (1a) + (1b) + (1c) + (1d) + (1e) }	37.7%	1.031	38.9%
g) Target Pre-Tax Return on Premium (ROP) - based on 16% Target ROE	7.0%	1.000	7.0%
2) Premium Discount Factor (DFp) { (1.0 + pre-tax ROI)^(1.0 - Prem. Receipt Lag) }			1.037
3) Loss Discount Factor (DFI) { (1.0 + pre-tax ROI)-(Avg. Loss Payment Lag - 1.0) }			0.948
4) Permissible Loss Ratio (PLR) { [(2) - PV(1f) - PV(1g)] / (3) }			61.0%
5) Expected Combined Ratio Under Indicated Rate Change { (4) + NV(1f) }			98.7%
6) Expected Pre-Tax ROP Under Indicated Rate Change { (2) - PV(1f) - (3) x (4) }			7.0%
7) Underwriting Profit Provision Under Indicated Rate Change { 1.0 - (5) }			1.3%
8) Investment Income Ratio Under Indicated Rate Change { (6) - (7) }			5.7%
9) Expected ROE Under Indicated Rate Change { (1.0 - FIT) x (6) x P/S + ROC }			15.0%

District of Columbia Expense and Profit Provisions

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>3-Year</u>	<u>Selected</u>
1) Commissions	16.0%	15.5%	15.5%	15.7%	15.2%
2) General	6.6%	7.0%	6.6%	6.7%	6.7%
3) Other Acquisition	9.8%	9.6%	8.4%	9.3%	9.3%
4) Taxes, Licenses & Fees	1.9%	1.9%	1.8%	1.9%	1.8%
5) Profit and Contingencies	1.3%	1.3%	1.3%	1.3%	1.3%
6) Total Expenses	35.5%	35.3%	33.6%	34.8%	34.3%

Notes:

(1) - (3): 3-year average from the Travelers Casualty and Surety Company of America Insurance Expense Exhibit.

(4): 2018 from the Travelers Casualty and Surety Company of America Insurance Expense Exhibit.

This IEE data is not specific to Financial Institutions Fidelity, but is inclusive of all Fidelity data.

(5): See the attached Investment Income exhibit

(6) = { (1) + (2) + (3) + (4) + (5) }

Countrywide Expense and Profit Provisions

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>3-Year</u>	<u>Selected</u>
1) Commissions	15.0%	15.2%	15.4%	15.2%	15.2%
2) General	6.5%	6.9%	6.8%	6.7%	6.7%
3) Other Acquisition	9.8%	9.5%	8.6%	9.3%	9.3%
4) Taxes, Licenses & Fees	2.3%	2.2%	2.2%	2.3%	2.2%
5) Profit and Contingencies	1.3%	1.3%	1.3%	1.3%	1.3%
6) Total Expenses	34.9%	35.0%	34.4%	34.8%	34.7%

Notes:

(1) - (3): 3-year average from the Travelers Casualty and Surety Company of America Insurance Expense Exhibit.

(4): 2018 from the Travelers Casualty and Surety Company of America Insurance Expense Exhibit.

This IEE data is not specific to Financial Institutions Fidelity, but is inclusive of all Fidelity data.

(5): See the attached Investment Income exhibit

(6) = { (1) + (2) + (3) + (4) + (5) }



Trend Selections
(Experience evaluated as of 12/31/2019)

LOSS RATIOS			
Accident Year	Gross EP	Ultimate Losss	Ultimate Loss Ratios
2010	3,642	565	15.5%
2011	4,329	54	1.2%
2012	8,507	1,236	14.5%
2013	14,205	1,517	10.7%
2014	20,907	1,361	6.5%
2015	33,329	3,063	9.2%
2016	55,240	14,034	25.4%
2017	77,028	9,237	12.0%
2018	101,684	38,238	37.6%
2019	127,500	65,407	51.3%

2-Year	36.4%
3-Year	106.8%
4-Year	38.4%
5-Year	46.7%
All Year	24.87%

FREQUENCY		
Accident Year	Ultimate Counts	Ultimate Frequency
2010	4	1.10
2011	2	0.46
2012	11	1.29
2013	16	1.13
2014	9	0.43
2015	25	0.75
2016	82	1.48
2017	156	2.03
2018	277	2.72
2019	524	4.11

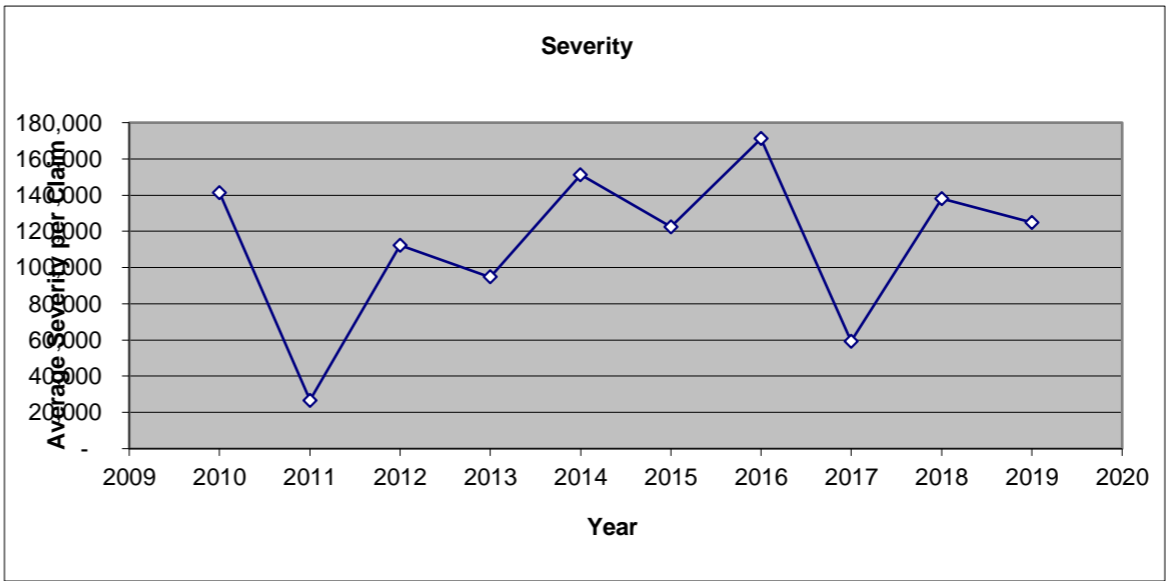
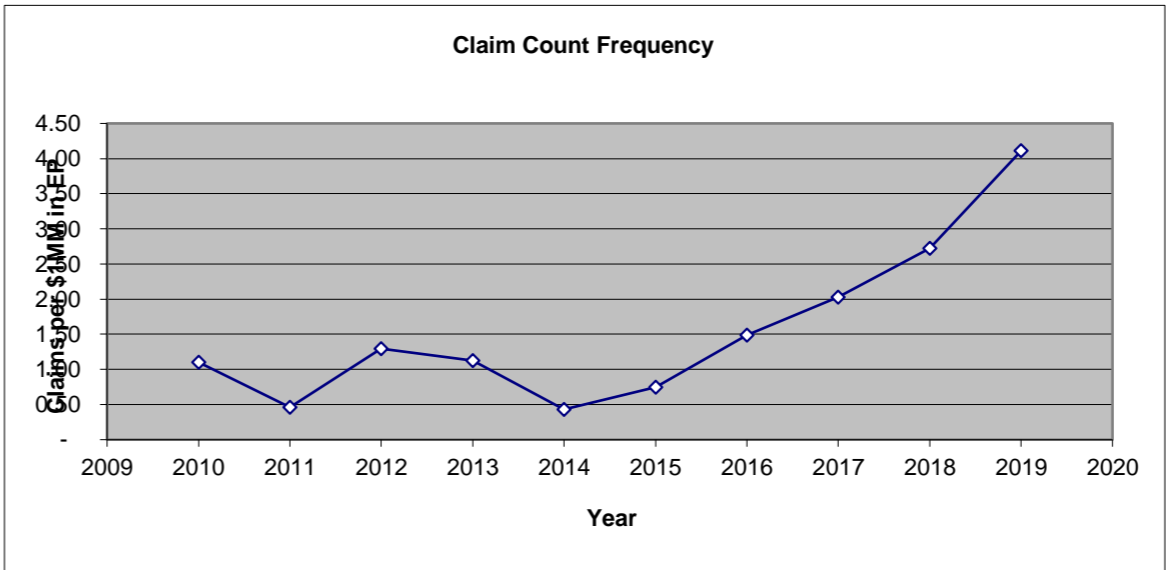
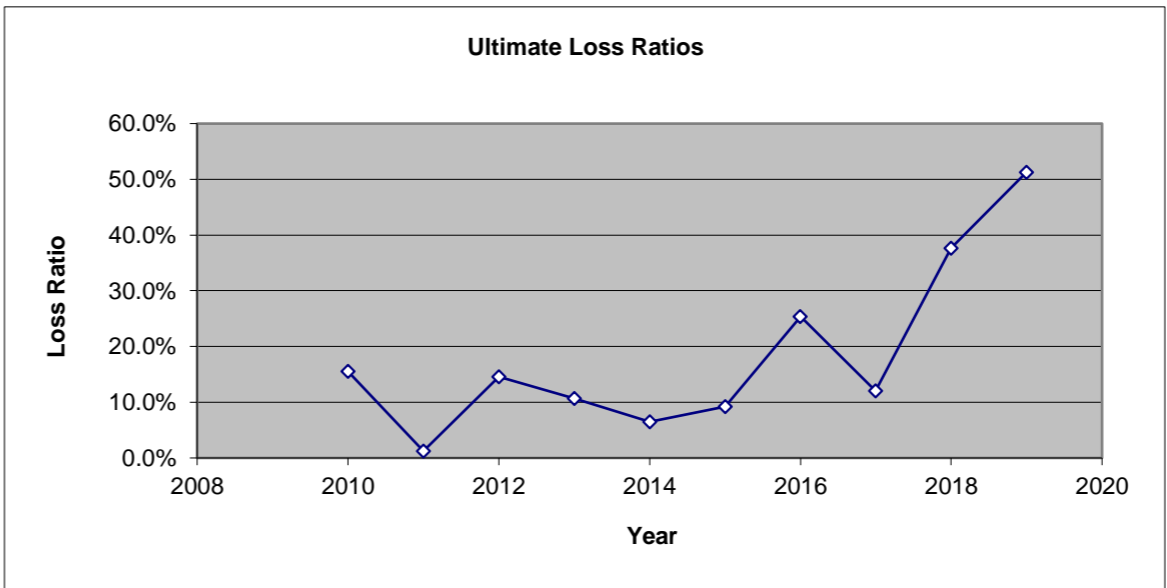
2-Year	50.9%
3-Year	42.5%
4-Year	39.8%
5-Year	49.3%
All Year	18.4%

SEVERITY	
Accident Year	Ultimate Severity
2010	141,303
2011	26,776
2012	112,374
2013	94,787
2014	151,248
2015	122,534
2016	171,149
2017	59,210
2018	138,045
2019	124,823

2-Year	-9.6%
3-Year	45.2%
4-Year	-1.0%
5-Year	-1.8%
All Year	5.4%

SELECTED
Selected Historical
Selected Prospective

Frequency	Severity	Loss Ratio
45.0%	2.0%	47.9%
10.0%	2.0%	12.2%



Summary of Trend Factors				
Current Evaluation Date:		12/31/2019		
Proposed Effective Date:		06/01/2020		
Trend Date:		06/01/2021		
Year	Trend to Current Years	Trend to Current Factors	Trend to Future Years	Trend Factors
2010	9.5	41.336	1.4	48.672
2011	8.5	27.949	1.4	32.908
2012	7.5	18.877	1.4	22.227
2013	6.5	12.763	1.4	15.028
2014	5.5	8.630	1.4	10.161
2015	4.5	5.835	1.4	6.870
2016	3.5	3.941	1.4	4.640
2017	2.5	2.665	1.4	3.137
2018	1.5	1.802	1.4	2.121
2019	0.5	1.218	1.4	1.434



Travelers Casualty and Surety Company of America
Countrywide Gross Total Incurred Loss - CyberRisk

AY	Evaluation Month										
	12	24	36	48	60	72	84	96	108	120	132
2009	62,645	288,620	288,620	288,620	288,620	288,620	288,620	288,620	288,620	288,620	288,620
2010	187,504	187,504	187,504	287,504	667,504	565,213	565,213	565,213	565,213	565,213	
2011	840	53,552	53,552	53,552	53,552	53,552	53,552	53,552	53,552		
2012	780,000	1,188,619	1,184,316	1,277,148	1,236,111	1,236,111	1,236,111	1,236,111			
2013	1,369,000	1,530,614	1,469,179	1,469,192	1,544,192	1,516,588	1,516,588				
2014	1,273,500	1,380,473	1,361,234	1,361,234	1,361,234	1,361,234					
2015	1,796,138	2,816,266	3,055,312	3,053,355	3,056,367						
2016	2,758,679	14,047,480	13,934,649	13,962,322							
2017	8,245,053	8,941,009	8,915,358								
2018	25,657,396	29,980,829									
2019	50,632,025										

Loss Development Factors

AY	Evaluation Month										
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-Ult
2009	4.607	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2010	1.000	1.000	1.533	2.322	0.847	1.000	1.000	1.000	1.000		
2011	63.753	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2012	1.524	0.996	1.078	0.968	1.000	1.000	1.000				
2013	1.118	0.960	1.000	1.051	0.982	1.000					
2014	1.084	0.986	1.000	1.000	1.000						
2015	1.568	1.085	0.999	1.001							
2016	5.092	0.992	1.002								
2017	1.084	0.997									
2018	1.169										
2019											

Averages

3 Year	2.448	1.025	1.000	1.017	0.994	1.000	1.000	1.000	1.000	1.000	1.000
5 Year	1.999	1.004	1.016	1.004	0.966	1.000	1.000	1.000	1.000	1.000	1.000
5 Year xHILO	1.274	0.992	1.001	1.000	0.994	1.000	1.000	1.000	1.000		
7 Year xHILO	1.293	0.994	1.016	1.010	0.996	1.000	1.000	1.000			
2 Year W.A.	1.148	0.994	1.002	1.001	0.990	1.000	1.000	1.000	1.000	1.000	1.000
3 Year W.A.	1.445	1.004	1.001	1.013	0.993	1.000	1.000	1.000	1.000	1.000	1.000
4 Year W.A.	1.451	1.003	1.001	1.005	0.993	1.000	1.000	1.000	1.000	1.000	1.000
5 Year W.A.	1.439	1.001	1.006	1.005	0.973	1.000	1.000	1.000	1.000	1.000	1.000

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-Ult
Selected	1.451	1.003	1.001	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.464	1.009	1.006	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Credibility Exhibit

Part A: Calculation of Full Credibility Standard

(1) Unadjusted Claim Count Full Credibility Standard: **1,082**

P	k		
	10.0%	7.5%	5.0%
0.900	271	481	1,082
0.950	384	683	1,537
0.980	541	962	2,165
0.990	664	1,180	2,654

Part B: Calculation of Historical Frequency

(2) Ultimate Claim Count: **1,064**

(3) Earned Premium: **394,781,353**

(4) Historical Frequency $\{(2)/(3)\} \times 1,000,000$: **2.7**

(5) Premium Credibility Standard $\{(1)/(4) \times 1,000,000\}$: **401,459,985**

(6) Countrywide Credibility $\{ [(3)/(5)]^{.5} \}$: **0.99**

Note: The credibility standard is converted to an earned premium standard rather than a claim count standard by dividing the claim count by the historical claim frequency. This conversion is done so states are not penalized for experiencing low frequency.